



House of Representatives

General Assembly

File No. 255

February Session, 2014

Substitute House Bill No. 5473

House of Representatives, April 1, 2014

The Committee on General Law reported through REP. BARAM of the 15th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CASH REFUNDS FOR GIFT CARD BALANCES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) For the purposes of this
2 section, "gift card" means a record evidencing a promise, made for
3 consideration, by the seller or issuer of the record that goods or
4 services will be provided to the owner of the record to the value shown
5 in the record and includes, but is not limited to, a record that contains
6 a microprocessor chip, magnetic stripe or other means for the storage
7 of information that is prefunded and for which the value is
8 decremented upon each use, an electronic gift card, stored-value card
9 or certificate, a store card or a similar record or card.

10 (b) If a person uses a gift card to make a purchase of goods or
11 services and the balance on the gift card is less than five dollars after
12 such purchase, the person accepting the gift card as payment, if
13 requested by the purchaser, shall provide the purchaser with a cash
14 refund equal to the value of the remaining balance on the gift card

15 after the purchase.

16 (c) A violation of subsection (b) of this section shall be deemed an
17 unfair or deceptive trade act or practice under subsection (a) of section
18 42-110b of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2014	New section

GL *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill results in no fiscal impact as few complaints are anticipated and any such complaints would likely be resolved without requiring a monetary penalty.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5473*****AN ACT CONCERNING CASH REFUNDS FOR GIFT CARD BALANCES.*****SUMMARY:**

This bill requires anyone accepting a gift card as payment for goods or services to provide a cash refund when the purchaser requests it and there is less than \$5 remaining on the gift card after the purchase.

Under the bill, a “gift card” is a record evidencing a promise, made for consideration, by the seller or issuer that goods or services will be provided to the record’s owner to the value shown in the record. The records include ones that (1) contain a microprocessor chip, magnetic stripe, or other means for storing information and (2) are prefunded and the value is debited each time they are used. Gift cards include an electronic gift cards, stored-value cards or certificates, store cards, or similar records or cards.

A violation is deemed an unfair or deceptive trade practice.

EFFECTIVE DATE: July 1, 2014

BACKGROUND***Connecticut Unfair Trade Practices Act (CUTPA)***

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection (DCP) commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award

actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for a willful violation and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 11 Nay 6 (03/18/2014)